

**House Commerce and Trade Standing Committee Meeting**

**House Bill 5095: Environmental protection; water pollution; permit for ballast water discharge from oceangoing vessels; adopt Coast Guard standards.**

**Lake Carriers' Association Testimony**

**Tuesday, October 24, 2017**

**Thomas Rayburn, Director of Environmental and Regulatory Affairs**

Good morning. My name is Thomas Rayburn and I am the Director of Environmental and Regulatory Affairs for Lake Carriers' Association. Lake Carriers' was established in 1880 and currently represents 13 member companies operating 49 U.S.-flag vessels on the Great Lakes. Our members carry dry bulk cargoes consisting mostly of iron ore, coal, aggregates and other materials such as sand and grain. They have the capacity to move over 100 million tons annually in the most cost effective way (saving industry \$3.6 billion annually), fuel efficient manner (10 times more so than trucks), and with the lowest air emissions (10 times less than trucks).

According to an economic study completed by Martin and Associates in 2011, the Great Lakes commercial maritime operators are responsible for creating and sustaining over 26,000 Michigan jobs.

I've come here today to speak in support of Michigan House Bill 5095, amending the "Natural Resources and Environmental Protection Act" to align regulation of ballast water in Michigan with the requirements established in federal regulation at 33 Code of Federal Regulations Part 151, Subpart C by the United States Coast Guard.

Though House Bill 5095 does not directly impact Lake Carriers' members whose vessels only trade in the Great Lakes and occasionally in the St. Lawrence River, it is an important step toward unifying legislation and regulation of our industry throughout the Great Lakes.

Our members' management of ballast water, which is essential to the safety of our crews and the vessels they operate, is regulated by the United States Environmental Protection Agency, the United States Coast Guard, seven of the eight Great Lakes states, and within the next year or so, Canada. Sometimes these requirements conflict. Our members' vessels engage in interstate commerce to serve our Great Lakes mines, steel mills, power plants, and farms. In fact, to move iron ore from Duluth, Minnesota to U.S. Steel in Northwest Indiana involves a voyage through the states of Minnesota, Wisconsin, Michigan, Indiana, and sometimes Illinois depending upon the weather. To move iron ore from the Tilden Mine near Marquette in the UP to AK Steel in Dearborn requires our vessels cross the international boundary with Canada 17 times.

Michigan currently requires saltwater exchange for all oceangoing vessels that arrive in the Great Lakes-St. Lawrence Seaway from beyond the United States' 200 nautical mile Exclusive Economic Zone. Coast Guard's 33 CFR 151, Subpart C, as cited in House Bill 5095, retains this requirement.

However, Michigan's existing requirements to manage ballast water from oceangoing vessels is based upon a treatment standard of the water, not a discharge standard as most, if not all other jurisdictions worldwide require. Michigan mandates that ballast water be treated by one of four methods: chemical dosing with hypochlorite or chlorine dioxide, the use of ultraviolet light radiation, or through a process of deoxygenation. Of the six ballast water treatment systems approved for use by the Coast Guard as required in 33 CFR 151, Subpart C, one of these systems may not meet Michigan's requirements and two more, using ultraviolet light radiation are required to have a hold time in the ballast tanks of 72 hours. There are few voyages on the Great Lakes that are three days long.

We believe House Bill 5095 aligns Michigan and the oceangoing vessels wanting to frequent her ports and serve Michiganders, with uniform federal regulations that are in fact more protective of Great Lakes' waters than the current requirements mandated by Michigan.

I thank you for the time to present in support of House Bill 5095 and welcome any questions you may have.